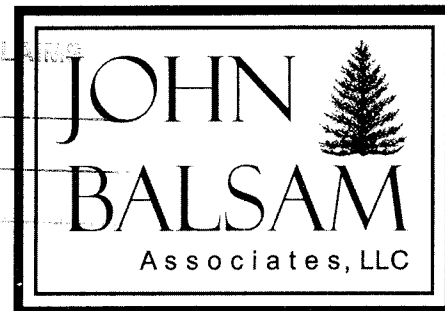


Exhibit No. 17Date 3-10-09Bill No. HB 123

TO: Senate Finance and Claims Committee  
 DATE: March 10, 2009  
 RE: HB123



My name is John Balsam and I'm a small business owner in the state.

[www.johnbalsamassociates.com](http://www.johnbalsamassociates.com)

I'm a huge believer in all of the programs that make up the 2010 Coalition. I show my support for small businesses in one way by volunteering my time to serve on the State Advisory Council for the SBDC program, which is one of the most critical programs within the 2010 Coalition.

But I'm hear to talk with you today about another of the programs within the Coalition—the MT Technology Innovation Partnership (MTIP) program.

How many of you are familiar with the SBIR and STTR programs?

- These federal programs fund the research, development, and commercialization activities **exclusively of small technology businesses**. No other applicants are eligible.
- The SBIR and STTR programs are the source of **\$8-\$10 million or more annually** coming in to Montana's small technology companies.
- SBIR/STTR monies **don't have to be matched, don't have to be repaid, can be used to cover non-R&D costs, even allow a profit**.
- The large majority of this money stays in the state to pay salaries and wages and buy equipment, supplies, and materials.
- Equally important, **SBIR/STTR monies fill a critical gap**, as they represent the kind and amount of seed capital that small technology firms can get *nowhere else*. Technologies funded by SBIR/STTR are too early in the development process to attract venture capital or even angel capital. Indeed, SBIR/STTR monies enable the business to develop the technology to a point at which angel and venture capital are much more likely to become interested.

If there's a drawback to these programs, it's that they are challenging to apply to and extremely competitive. And this is where the MT Technology Innovation Partnership comes in. *Distinct from any of the other programs in the 2010 Coalition*, MTIP helps companies prepare winning proposals to SBIR and STTR. MTIP also presents workshops on technology commercialization, intellectual property, licensing of technology, the complexities of govt accounting, and researching the market for early-stage technologies. So for an investment of \$50,000, Montana's small technology businesses reap literally millions of dollars in R&D funding. And when these technologies are successfully commercialized, even more jobs are created.

Helping Montana companies win SBIR/STTR funding is economic development in its purest form:

- it helps start new businesses
- it creates high-paying jobs
- it keeps the majority of the funds in-state
- it supports students and researchers at the Montana University System as consultants and partners to these small companies
- it provides critically-needed seed capital that venture-capitalists don't offer

**Please support House Bill 123!**